

**THE PAROCHIAL CHURCH COUNCIL OF ST. MICHAEL THE ARCHANGEL, SMARDEN**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

**PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN**

**ADMINISTRATIVE INFORMATION**

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<b>Incumbent</b>	The Rev. Alex Bienfait
<b>PCC Members</b>	See page 4 for details
<b>Governing document</b>	Parochial Church Council powers measure (1956) as amended and church representation rules.
<b>Bankers</b>	Lloyds Bank 81 High Street Ashford Kent TN24 8SS
<b>Independent Examiner</b>	M Wilkes FCA Wilkins Kennedy FKC Stourside Place Station Road Ashford Kent TN23 1PP

# PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

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# PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

## PCC MEMBERS REPORT

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The PCC Members present their report and financial statements of the PCC for the year ended 31 December 2017. The PCC Members have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 as amended by Bulletin 1.

The Parochial Church Council (PCC) is a charity excepted from registration with the Charity Commission.

### **Aims and Purposes**

Smarden PCC has the responsibility of co-operating with the Incumbent, in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

### **Objectives and Activities**

The PCC is committed to drawing as many people as possible into worship at our church, and to working together with individuals and organisations in the community for the common good and furtherance of our common goals and values. The PCC maintains an overview of worship, outreach, ministry and mission.

The PCC objectives and activities are guided by our Church plan. A major revision of this plan took place during 2014.

Our Church first and foremost seeks to be a community of Christian Action.

Our Vision:

- We will grow a Church that is open to all
- We will develop and display confidence as Christians
- We will seek to serve the community

Our Mission:

- To provide a warm welcome
- To support each other in our spiritual growth
- To be visible, capable and available as Christian helpers in our community
- To encourage the spiritual development of young people

### **Public benefit statement**

The PCC Members confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities, in particular the specific guidance on charities for the advancement of religion.

### **Achievements and Performance**

#### **Church attendance**

There were 72 parishioners on the Church Electoral Roll for 2017 (71 in 2016, 73 in 2015 and 67 in 2014). The average weekly attendance is 28 (2016: 35, 2015: 37) but this number increased at festivals. During 2017 there were 8 baptisms, 5 weddings and 7 funerals.

#### **The Ministry Team**

Our Ministry Team consists of The Rev. Alexander Bienfait, Priest in Charge, and The Rev. Catherine Wilson, part time stipendiary Assistant Curate. Catherine does not live in the Benefice, but commutes to the benefice from her home in Great Chart, Ashford. We continue to have the valued support and help of The Rev. Pearl Anderson, retired priest living in Headcorn.

During the early part of 2017, February to April, Alex Bienfait was on Sabbatical for three months. Management of the Church and services was handled by Catherine Wilson, Pearl Anderson and the Churchwardens.

## **PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN**

### **PCC MEMBERS REPORT**

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#### **Administration**

A 20m<sup>2</sup> timber office cabin was constructed in the front garden of Biddenden rectory in December 2014. The Cabin was financed jointly by the Diocese and the Benefice. The cabin provides a base for Catherine in the Benefice, as well as a work space for the Benefice Administrator. A new Administrator, Tanya Ling, was appointed in February 2017.

#### **Our Church Plan (Mission Plan)**

The PCC's main priorities for 2017 were:

- Continued support for Active Church
- Developing Fair Trade status
- Continuing to develop and support lay preaching

#### **Service and Rota Planning**

A service and rota planning team, formed of licensed ministers, representatives of the PCC and choir and the organist, meets about four times per year. The main task of the team is to plan and review the worship rota. The Benefice aims to offer a range of worship to suit different ages and preferences for worship. The scope of worship includes BCP Mattins on the first Sunday of the month, Common Worship (CW) Parish Eucharist on the second and fourth Sundays (with a Nave Altar on the second Sunday), BCP Communion on the third Sunday and BCP Evensong on the second Sunday. Active Church, our "Messy Church", takes place on the third Sunday. Sessions start with activities, all of which are designed to link in with the theme of the day, and there is a coming together at the end, which provides a summary and retelling of the main theme/story. Sessions attract an average of 10-15 adults and 10-15 children.

#### **Learning**

A Home Study group based in Smarden met on a weekly basis from 4 January to 6 December on Wednesdays from 2.30 - 3.30 pm. They studied Luther: Gospel, Law and Reformation by Professor Philip Cary.

A Home Study group, based mainly in Biddenden, but which has some Smarden members participating, has met twice a month throughout the year from 8 -10 pm on the second and fourth Wednesdays each month. The attendance was on average 14 members. Early in 2017 they reflected on the previous Sunday's sermon, the Lent study programme followed a course based on the feature film *The Way* and, later in the year, the group studied the book of Ephesians. Through the regular meetings in people's homes the aim has been to deepen the understanding of faith through joint study, discussion, prayer and fellowship. Once again there were two social events: a summer barbecue and a Christmas bring and share meal. This group welcomes all newcomers. The study group is coordinated and organised by Julie Lupton and Martin Giles.

#### **Children and Young People**

Beyond the ministry of Active Church, described above, we maintain a close relationship with Smarden Primary School. We share responsibility together with Zion Chapel for a weekly assembly in the school. Smarden School also come into the Parish Church for special festivals which take place about once a term.

#### **Safeguarding**

The PCC takes seriously its responsibility to protect children and vulnerable adults. Diocesan guidelines on the protection of both are followed. The PCC adopts annually the Child and the Vulnerable Adult Protection Policy and ensures it is prominently displayed in the Church along with other statutory notices of important contact numbers. It has been noted that these should also appear on the Church website and this will be done once the new PCC have approved the updated version.

The Safeguarding Officer met with the Churchwardens during 2017 to outline and discuss training requirements. All Churchwardens are expected to complete a two-hour face to face safeguarding training, C2.

The Diocese has now produced two online training courses, C0 and, more recently, C1. The people who are expected to undertake this training have been notified and, once the training is complete, the Safeguarding Officer updates the parish safeguarding training file. This file is kept electronically and is password protected.

Disclosure and Barring Service checks are carried out on everyone who is in a position of responsibility according to Diocesan guidelines. The Diocese updates the PDO as to when checks need to be renewed. The renewal of all disclosures issued 5 years ago is now complete. In 2017 all checks started to be done online. The PDO received training in this and has since successfully processed applications for both Smarden and Biddenden. It is a simpler task and less time-consuming than the previous system. There are currently no outstanding disclosures to be processed.

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## PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

### PCC MEMBERS REPORT

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Our Child Protection Officer is Sian Newman. Sian completed her C2 training in 2017. Our Parish Disclosure Officer is Julie Lupton.

#### **Collaboration: Other Churches and the Community**

The Benefice of Biddenden and Smarden is part of a Group ministry which includes the parishes of Bethersden, High Halden and Woodchurch. When there is a 5th Sunday in the month we hold a Group service and encourage the congregations to worship together, visiting a different parish within the Group each time. A joint annual Marriage Preparation morning is held to which all couples getting married in any of the Group Churches are invited.

There has been an increased level of collaboration with Zion Baptist Church in Smarden this year, as we have worked together on a number of events and services: a Light Party at Halloween, Remembrance Sunday and an evening of carol singing with Cranbrook Silver Band.

Smarden and Biddenden Churches are members of Churches Together in Tenterden and District and contribute to the food collections taken to Ashford Foodbank.

Alex Bienfait is Chaplain to the Smarden Royal British Legion.

#### **Fund Raising and Events**

There were various social and fund-raising events. The main event was a hugely successful 3-day Christmas Tree Festival, involving many people in the wider community, held in December 2017. Other events included the Easter Day Easter Egg Hunt, 'Ride and Stride' sponsored church cycle event, a Safari Supper and a Harvest lunch. The church also helped support and organise the Smarden Spectacular, the annual village bonfire and firework celebrations, which raised significant money for both the church and local charities.

In 2018 there will be a Stewardship Campaign.

#### **Repairs and maintenance (Fabric)**

During 2017 we were very lucky not to have had any major actions referring to the fabric of the Church. In nearly every instance we are grateful to have FOSC behind us to support us financially as and when required.

A Quinquennial inspection was carried out in April 2016 and in 2017 we completed all outstanding tasks as follows:

- Painting of the gate and surrounding fencing
- Installation of a shed to house the lawn mowers and gardening tools
- Obtaining a Chartered Surveyor's report on the trees and the hairline cracks in the Chancel
  - the trees are no threat
  - the hairline cracks are not unusual in a building of this size and age and are not a problem
- Removal of ivy
- Louvres in the belfry inspected and sorted

Following the recommendation of an insurance inspection and valuation in 2016 that the boiler room should not be used for storage, a shed was installed in the Churchyard to house the lawn mowers and gardening tools.

Repairs were carried out to a heating pipe in the Church. The heating system will have to be looked at in detail and a plan put in place to upgrade it.

#### **Parish Magazine**

The magazine was published every month throughout 2017. Currently 420 copies are printed with 381 magazines delivered to subscribing households by 18 volunteer distributors. 15 copies are placed for sale in the Church, 6 in the Flying Horse pub, 10 in the butcher's shop and 6 in the Pluckley farm shop. There are 42 (this number varies slightly through the year) local businesses that pay for adverts in the magazine and together with the 50p charge and the annual subscriptions, the magazine makes a 'profit'.

## PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

### PCC MEMBERS REPORT

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The volunteer magazine team is:

- Editor Tony Lush, who also deals with the distribution
- Secretary Alan Hipkiss, who puts the magazine together and prepares it for publishing
- Advertising Manager Jane Hanson, who took over from Eric Spear during 2017
- Distributors the 18 people who distribute the magazine

The magazine is printed by Weald Computer Systems, Headcorn.

#### Church Opening times

The PCC maintains a policy of keeping the Church open during daylight hours for private prayer.

#### Risk factors

The PCC Members have assessed the major risks to which the PCC is exposed, and are satisfied that systems are in place to mitigate exposure to them. The PCC Members continue to review and monitor the systems for managing the major strategic, business and operational risks which the PCC faces.

The main risk to the PCC is the ability to adapt our forms of worship to suit our Church's changing needs – including connecting outside the church buildings. To mitigate this risk, we will need to encourage young people to participate through serving, choir, collection-carrying, reading and even leading services.

#### Financial Review

Our financial aim is to maintain an annual surplus of income over expenditure so that we can build up funds to further the mission and aims of the Church.

Income for the year amounted to £55,409 (2016: £48,444), expenditure for the year amounted to £55,417 (2016: £54,341) and our investments increased by £2,088 (2016: £2,264). The above movements resulted in net income for the year of £2,080 (2016: net expenditure £3,633).

Expenditure continued to be kept under control and the small increase was due in large part to the cost of raising funds and one-off restoration costs offset by a decrease in general running costs. Income was up 14% due to the success of the Christmas Tree Festival, which raised nearly £6,000; without this, income would have been similar to last year and would have resulted in an overall deficit.

We use the COIF Charities Deposit Fund to hold most of our unrestricted funds that may be required at relatively short notice. The Deposit Fund offers immediate access and pays interest at rates marginally higher than those generally available from commercial banks. Funds that are unlikely to be needed in the short term are invested in the CBF Church of England Investment Fund; this Fund is invested predominantly in equities and aims at achieving income and capital growth over a long term. The value of our CBF investment increased by 12.5%.

A detailed budget prepared for 2018 indicates a deficit.

#### Reserves Policy

It is PCC policy to maintain a balance on unrestricted funds (if possible), which equates to approximately three months' unrestricted payments amounting to £12,405 (2016: £13,150), to cover emergency situations that may arise from time to time. Unrestricted funds at 31 December 2017 were £44,494 (2016: £42,112).

Restricted funds at 31 December 2017 amounted to £369 (2016: £668) and related to funds received for the upkeep of the churchyard.

#### Plans for the future

The focus for 2018 will be to increase giving through a Stewardship campaign.

## PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

### PCC MEMBERS REPORT

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#### Pay policy for key management personnel

The PCC Members comprise the key management personnel of the charity in charge of directing and controlling, running and operating the PCC on a day to day basis. All PCC Members give of their time freely and no trustee received remuneration in the year.

#### Structure, Governance and Management

St Michael the Archangel is situated in Cage Lane, Smarden. It is in a benefice with All Saints Biddenden and part of a Group Ministry with the parishes of Bethersden, High Halden and Woodchurch, within the Diocese of Canterbury, Church of England.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

PCC members are:

<i>Priest in Charge</i>	The Rev. Alex Bienfait	
<i>Assistant Curate</i>	The Rev. Catherine Wilson	
<i>Churchwardens</i>	Mr Edward Demery Mr Thomas Hay	
<i>Secretary to PCC</i>	Mrs Tanya Ling	
<i>Representative to the Deanery Synod</i>	Mr Michael Barkway	From April 2014 to June 2017
<i>Elected Members</i>	Mrs Vivienne Rose	From April 2007, re-elected 2010, 2013, 2016 (2 <sup>nd</sup> year, 4 <sup>th</sup> term)
	Mr John Lowings	From 18 May 2010, re-elected 2013, 2016 (2 <sup>nd</sup> year, 3 <sup>rd</sup> term)
	Mr Anthony Lush	From 29 April 2014, re-elected 2017 (1 <sup>st</sup> year, 2 <sup>nd</sup> term)
	Mrs Ruth Papworth	Co-opted 18 May 2016, elected 5 April 2017 (1 <sup>st</sup> year, 1 <sup>st</sup> term)
	Mr Michael Barkway	Co-opted 12 June 2017
	Mrs Ewa Loffstadt	Co-opted 4 September 2017
<i>PCC Employees</i>	Tanya Ling Bob Barnes Mark Wilson	

#### PCC Members' Responsibilities

The PCC Members are responsible for preparing the PCC Members' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the PCC Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the PCC Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

## **PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN**

### **PCC MEMBERS REPORT**

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The PCC Members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In approving the PCC Members' Annual Report in our capacity as PCC Members.

Signed on behalf of the PCC

Thomas Hay  
Churchwarden

Date: 15 April 2018

## **INDEPENDENT EXAMINER'S REPORT TO THE PCC MEMBERS OF PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN**

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I report to the trustees on my examination of the accounts of the Parochial Church Council of St. Michael the Archangel, Smarden for the year ended 31 December 2017.

### **Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in accordance with the Church Accounting Regulations 2006 ("the Regulations") and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounts records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

M Wilkes FCA  
Wilkins Kennedy FKC  
Chartered Accountants  
Stourside Place  
Station Road  
Ashford, Kent

Date: .....

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 DECEMBER 2017

	Notes	2017			2016
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
<b>INCOME FROM:</b>					
Donations and legacies	2a	30,418	5,500	35,918	33,360
Investment Income	2b	802	-	802	892
Income from charitable and ancillary trading	2c	9,155	-	9,155	10,942
Other trading income	2d	9,534	-	9,534	3,250
<b>Total Income</b>		<b>49,909</b>	<b>5,500</b>	<b>55,409</b>	<b>48,444</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Raising funds		790	-	790	71
Parish Share		28,811	-	28,811	28,270
Mission and charities		865	-	865	2,031
Other ordinary running costs		18,778	3,899	22,677	24,569
One off restoration costs		374	1,900	2,274	(600)
<b>Total expenditure</b>	<b>3</b>	<b>49,618</b>	<b>5,799</b>	<b>55,417</b>	<b>54,341</b>
<b>NET INCOME AND MOVEMENT IN FUNDS BEFORE GAINS ON INVESTMENTS</b>		291	(299)	(8)	(5,897)
Unrealised gain on investments	7	2,088	-	2,088	2,264
<b>NET INCOME BEFORE TRANSFERS</b>		<b>2,379</b>	<b>(299)</b>	<b>2,080</b>	<b>(3,633)</b>
Transfer between funds		-	-	-	-
<b>NET MOVEMENTS IN FUNDS</b>		<b>2,379</b>	<b>(299)</b>	<b>2,080</b>	<b>(3,633)</b>
<b>Reconciliation of funds:</b>					
Balances brought forward at 1 January 2017		42,115	668	42,783	46,416
<b>BALANCES CARRIED FORWARD AT 31 DECEMBER 2017</b>		<b>44,494</b>	<b>369</b>	<b>44,863</b>	<b>42,783</b>

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 DECEMBER 2017

COMPARATIVE INFORMATION ONLY		2016			2015
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
<b>INCOME FROM:</b>					
Donations and legacies	2a	31,940	1,420	33,360	121,374
Investment Income	2b	892	-	892	720
Income from charitable and ancillary trading	2c	10,942	-	10,942	12,795
Other trading income	2d	3,250	-	3,250	11,060
<b>Total Income</b>		<b>47,024</b>	<b>1,420</b>	<b>48,444</b>	<b>145,949</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Raising funds		71	-	71	858
Parish Share		28,270	-	28,270	28,906
Mission and charities		2,031	-	2,031	1,915
Other ordinary running costs		22,217	2,352	24,569	24,670
One off restoration costs			(600)	(600)	87,652
<b>Total expenditure</b>	<b>3</b>	<b>52,589</b>	<b>1,752</b>	<b>54,341</b>	<b>144,001</b>
<b>NET INCOME AND MOVEMENT IN FUNDS BEFORE GAINS ON INVESTMENTS</b>		<b>(5,565)</b>	<b>(332)</b>	<b>(5,897)</b>	<b>1,948</b>
Unrealised gain on investments	7	2,264	-	2,264	253
<b>NET INCOME BEFORE TRANSFERS</b>		<b>(3,301)</b>	<b>(332)</b>	<b>(3,633)</b>	<b>2,201</b>
Transfer between funds		-	-	-	-
<b>NET MOVEMENTS IN FUNDS</b>		<b>(3,301)</b>	<b>(332)</b>	<b>(3,633)</b>	<b>2,201</b>
<b>Reconciliation of funds:</b>					
Balances brought forward at 1 January 2016		45,416	1,000	46,416	44,215
<b>BALANCES CARRIED FORWARD AT 31 DECEMBER 2016</b>		<b>42,115</b>	<b>668</b>	<b>42,783</b>	<b>46,416</b>

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

BALANCE SHEET  
AS AT 31 DECEMBER 2017

	Notes	Unrestricted Funds £	2017 Restricted Funds £	Total Funds £	2016 Total Funds £
<b>FIXED ASSETS</b>					
Investments	7	25,790	-	<b>25,790</b>	22,929
		25,790	-	<b>25,790</b>	22,929
<b>CURRENT ASSETS</b>					
Debtors	8	5,764	-	<b>5,764</b>	5,030
Bank and cash balances		22,200	369	<b>22,569</b>	23,486
		27,964	369	<b>28,333</b>	28,516
<b>CREDITORS: amounts falling due within one year</b>					
	9	9,260	-	<b>9,260</b>	8,662
		9,260	-	<b>9,260</b>	8,662
<b>NET CURRENT ASSETS</b>					
		18,704	369	<b>19,073</b>	19,854
<b>NET ASSETS</b>					
		44,494	369	<b>44,863</b>	42,783
<b>PARISH FUNDS</b>					
<b>Unrestricted</b>					
General Fund		44,494	-	<b>44,494</b>	42,115
<b>Restricted</b>					
Churchyard upkeep	10	-	369	<b>369</b>	668
		44,494	369	<b>44,863</b>	42,783

Approved by the Parochial Church Council on 15 April 2018 and signed on its behalf by:

Thomas Hay  
Chairman

# PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 ACCOUNTING POLICIES

#### 1.1 General information and basis of preparation

The Parochial Church Council of St. Michael the Archangel, Smarden is a charity excepted from registration in England and Wales. The address of the registered office is given in the charity information on page 4 of these financial statements. The nature of the charity's operations and principal activities are committed to drawing as many people as possible into worship at our church, and to working together with individuals and organisations in the community for the common good and furtherance of our common goals and values. The PCC maintains an overview of worship, outreach, ministry and mission.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts (financial statements) have been prepared in accordance with the Church Accounting Regulations 2006 together with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 as amended by Bulletin 1 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of church members.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### 1.2 Funds accounting

Unrestricted Funds represent funds of the PCC that are not subject to restrictions regarding their use. In particular these consist of the General Fund which is used for the day to day purposes of the PCC and that part of the Legacy Fund which is not restricted by the terms of individual wills.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restriction arises when specified by the donor or when funds are raised for particular restricted purposes.

#### 1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, any performance conditions attached to the item of income have been met and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Voluntary income including donations, collections and gifts is included in full in the Statement of Financial Activities when receivable
  - Investment income and dividends are included when receivable
  - Planned giving receivable under Gift Aid is recognised only when received. Recovery of tax is recognised to the extent necessary to match with the related income from Gift Aid
  - Grants and legacies to the PCC are recognised only when received or when the amounts have been notified to the PCC.
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# PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 ACCOUNTING POLICIES - CONTINUED

#### 1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### 1.5 Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

#### 1.6 Fixed assets

##### *Consecrated Land and Buildings and Moveable Church Furnishings*

Consecrated and beneficed property is excluded from the accounts by s10 Charities Act 2011. No value is placed on moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

Tangible fixed assets are depreciated at rates calculated to write down the cost to residual value over their useful lives:

- |                                     |                   |
|-------------------------------------|-------------------|
| - Furniture, fixtures and equipment | 20% straight line |
| - Kitchen and toilet                | 10% Straight line |

Assets below £500 are not capitalised.

#### 1.7 Investments

Quoted investments are valued at market value at the end of each year. Unquoted investments are stated at cost less impairment. Gains and losses on the revaluation and disposal of investments are reflected in the Statement of Financial Activities.

#### 1.8 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### 1.9 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### 1.10 Going concern

The financial statements have been prepared on a going concern basis as the PCC members believe that no material uncertainties exist. The PCC members have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1 ACCOUNTING POLICIES - CONTINUED**

**1.11 Judgements and key sources of estimation uncertainty.**

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property, plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

2	Income from:	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	<b>a. Donations and legacies</b>				
	Gift Aid	19,351	1,520	20,871	19,581
	Income tax recoverable	4,738	380	5,118	4,895
	Other Donations	1,608	3,600	5,208	3,627
	Collections at services	4,721	-	4,721	5,257
		<u>30,418</u>	<u>5,500</u>	<u>35,918</u>	<u>33,360</u>
	<b>b. Dividends and interest</b>	<u>802</u>	<u>-</u>	<u>802</u>	<u>892</u>
	<b>c. Charitable and Ancillary Income</b>				
	Parish magazine	5,750	-	5,750	5,254
	Fees for weddings and funerals	3,405	-	3,405	5,688
		<u>9,155</u>	<u>-</u>	<u>9,155</u>	<u>10,942</u>
	<b>d. Other trading income</b>				
	Fundraising	8,334	-	8,334	2,050
	Fees for broadband mast	1,200	-	1,200	1,200
		<u>9,534</u>	<u>-</u>	<u>9,534</u>	<u>3,250</u>
	<b>Total income</b>	<u>49,909</u>	<u>5,500</u>	<u>55,409</u>	<u>48,444</u>
	<b>3 Analysis of expenditure</b>			<b>2,017</b>	<b>2,016</b>
		<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total</b>	<b>Total</b>
		£	£	£	£
	<b>Cost of raising funds</b>	<u>790</u>	<u>-</u>	<u>790</u>	<u>71</u>
	<b>Cost of charitable activities</b>				
	<b>Parish Share</b>	<u>28,811</u>	<u>-</u>	<u>28,811</u>	<u>28,270</u>
	<b>Missions and charities</b>	<u>865</u>	<u>-</u>	<u>865</u>	<u>2,031</u>
	<b>Other ordinary running costs</b>				
	Contribution to Joint Benefice	7,200	-	7,200	7,500
	Parish magazine	3,821	-	3,821	4,190
	Canterbury DBF fees	1,336	-	1,336	2,741
	Church running costs	4,508	3,500	8,008	6,559
	Maintenance of buildings and fabric	687	-	687	2,733
	Churchyard upkeep	-	399	399	432
	Miscellaneous expenses	1,226	-	1,226	414
		<u>18,778</u>	<u>3,899</u>	<u>22,677</u>	<u>24,569</u>
	<b>One off restoration costs</b>				
	Carpeting	92	1,900	1,992	
	Gates and railings	282	-	282	
	Lighting	-	-	-	(600)
		<u>374</u>	<u>1,900</u>	<u>2,274</u>	<u>(600)</u>

**PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**4 Staff Costs**

The average number of employees during the year was nil (2015: nil).

**5 PCC Members' and key management personnel remuneration and expenses**

PCC members received no remuneration during the year (2015: None).

No expenses were reimbursed relating to general day to day running costs such as postage and meeting expenses (2015: nil).

The PCC members consider the board of PCC members as the key management personnel of the charity in charge of directing and controlling, running and operating the PCC on a day to day basis. As detailed above, no PCC members received remuneration during the period.

**6 Tangible fixed assets**

**Furniture, fixtures  
and equipment**

**Cost:**

At 1 January 2017 and at 31 December 2017

£  
21,980

**Depreciation:**

At 1 January 2017

21,980

Charge for the year

-

As at 31 December 2017

21,980

**Net book value:**

As at 31 December 2017

-

As at 31 December 2016

-

**7 Investments**

**2017**

**2016**

£

£

Market value at 1 January 2016

22,929

24,868

Additions

773

797

Deductions

-

(5,000)

Unrealised gain

2,088

2,264

Market value at 31 December 2016

25,790

22,929

National Savings Bond

-

-

CBF Church of England Investment Fund Units

25,790

22,929

25,790

22,929

Historical cost:

National Savings Income Bond

-

-

CBF Church of England Investment Units

12,814

12,041

12,814

12,041

The fair value of the listed investments is determined by reference to the mid-market value of shares at the Balance Sheet date.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

8 Debtors	2017	2016
	£	£
Tax refund due	3,141	3,761
Other debtors	2,623	1,269
	<u>5,764</u>	<u>5,030</u>

9 Creditors: amounts falling due within one year	2017	2016
	£	£
Deferred income	1,896	2,905
Other creditors	7,364	5,757
	<u>9,260</u>	<u>8,662</u>

10 Restricted funds	Balance brought forward	Income	Expenditure	Balance carried forward
	£	£	£	£
Church running costs	-	3,500	(3,500)	-
Maintenance of building and fabric	-	1,900	(1,900)	-
Churchyard upkeep	668	100	(399)	369
	<u>668</u>	<u>5,500</u>	<u>(5,799)</u>	<u>369</u>

Restricted funds - 2016	Balance brought forward	Income	Expenditure	Balance carried forward
	£	£	£	£
Lighting fund	-	(600)	600	-
Maintenance of building and fabric	-	1,506	(1,506)	-
Churchyard upkeep	1,000	100	(432)	668
Miscellaneous expenses	-	414	(414)	-
	<u>1,000</u>	<u>1,420</u>	<u>(1,752)</u>	<u>668</u>

Church running costs This fund is to contribute towards the expenses of running the church  
 Maintenance of building and fabric This fund is to provide for the upkeep of the church building and its interior.  
 Churchyard upkeep This fund is to provide for the upkeep of the churchyard.

11 Independent Examination fee

The charge for the year in respect of Independent examiner's fee amounts to £Nil (2016: £Nil).

12 Related party transactions

There were no related party transactions during the year (2016: None).

**PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN**

**BENEFICE JOINT ACCOUNT  
RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Unrestricted Funds £	2017 Restricted Funds £	Total Funds £	2016 Total Funds £
<b>RECEIPTS</b>				
Contribution from All Saints, Biddenden	7,200	-	7,200	7,500
Contribution from St Michael, Smarden	7,200	-	7,200	7,500
Reimbursement of clergy expenses	735	-	735	2,049
<b>Total receipts</b>	<b>15,135</b>	<b>-</b>	<b>15,135</b>	<b>17,049</b>
<b>PAYMENTS</b>				
Church administration	2,151	-	2,151	2,221
Clergy expenses	5,211	-	5,211	4,443
Other expenses	2,502	-	2,502	1,047
Salaries - Administrator	4,590	-	4,590	3,600
Salaries - Organist	2,685	-	2,685	2,675
Wedding expenses	-	-	-	75
<b>Total payments</b>	<b>17,139</b>	<b>-</b>	<b>17,139</b>	<b>14,061</b>
<b>Excess of (Payments) over Receipts</b>	<b>(2,003)</b>	<b>-</b>	<b>(2,003)</b>	<b>2,989</b>
Cash at Bank 1 January 2017	2,182	600	2,782	206
<b>Cash at Bank 31 December 2017</b>	<b>179</b>	<b>600</b>	<b>779</b>	<b>2,782</b>

## PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

### OTHER REPORTS (NOT REQUIRED BY LAW)

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#### Churchwardens' Report

The year began with the absence of Alex Bienfait who took his sabbatical in Sri Lanka for 3 months. It became apparent that this was not a holiday, nor never intended to be, but an important visit to a third world country battling with not only the multi religions rife in the country but also still reeling from the effects of the tsunami.

It was fascinating hearing all about this trip from Alex and Stephanie when they returned. The various evenings raised some much-needed funds for furthering the Christian work in Sri Lanka.

Fortunately, his absence was well planned and although Catherine had to bear the major brunt of any additional work, she had organised her attendance at both Biddenden and Smarden carefully and had help from various local and visiting clergy and lay readers. But our heartfelt thanks must go to Catherine for holding the fort so well.

In 2017 in particular, we could not have survived without the enormous amount of unseen help from so many parishioners. The Churchyard is very well maintained, the Altar and the presentation of the sacraments, the servers and crucifers, the reading of the lessons rota, the flower arrangers, the brass cleaners and of course the all important coffee. All are well organised and we are very grateful for all the work this entails, and our thanks go to all those carrying out these and other tasks.

Our Church is looking in great order. We are delighted to have the musical input from the excellent bell ringing team, the choir and the organists all of whom played their part during the year. We also rely on many people undertaking the role of sidesman during Sunday services, weddings, funerals and baptisms. All time consuming, but the welcome they provide is essential. This year we had 6 weddings demanding a lot of time and effort from many.

The village Bonfire night was yet again a great success. The committee organised this annual event extremely well and thousands of people flocked into the Village to watch the floats and the fireworks, eating and drinking around the Minnis. A contribution of £975 was raised for the Church and our thanks to Tony Richter for chairing this event.

We were delighted when Ewa Loffstadt agreed to take on the role of Treasurer to the Church. She joined the PCC and we thank her for her invaluable contribution and time.

It is also very helpful to have Tanya Ling in the office in Biddenden. She is highly efficient and supports Alex and Catherine as well as undertaking the unenviable task of writing the minutes for both Biddenden and Smarden PCC meetings.

The highlight of the year combines fundraising with an exceptional display of local talent: the Christmas Tree Festival, which only takes place every other year, and, because the planning and organisation was so good, it was an enormous success. Each time the quality of the decorated trees increases and, with the lighting now part of the establishment, the Church looked magnificent over the weekend of the 9th and 10th December. Nearly £6000.00 was raised for the Church, a marvellous result.

On the evening of the 9th December we were treated to a wonderful concert by the City Singers. Mike and Carol Barkway's daughter, Ann, was the power behind the throne and it was an extremely enjoyable evening with top quality singing.

The Christmas Tree festival weekend ended with our Carol Service and again we asked a wide range of young and older to read the various lessons and it was a very popular village event.

This was quickly followed by our Christmas season of worship. The most successful service was the Christingle that was held on Christmas Eve when the village turned out with their families in full force and over 160 people were present. This year the Midnight Eucharist and Christmas Day services were both well attended and over the Christmas season over 350 people came to worship in St. Michael the Archangel. This is reward enough for all those who put their time and effort into running this lovely Church. Long may it continue.

2018 will begin with a Stewardship campaign when we try and raise urgently needed funds for the maintenance of the ministry in Smarden. We are lucky that we have the Friends of Smarden Church to support us financially when the fabric of the Church needs repairing or improving.

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## PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

### OTHER REPORTS (NOT REQUIRED BY LAW)

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We have a busy year ahead and once again we could not cope without the amazing support of many parishioners. Thank you all of you.

*Edward Demery and Tom Hay, Churchwardens*

#### **Churchyard**

The Churchyard is closed for burials, but open for burial of Ashes. As usual at this time of year it is appropriate to thank the churchyard volunteers who keep the churchyard looking tidy and well trimmed through their efforts in the summer. There are around 30 volunteers who do the various jobs to keep the grass and flowerbeds, hedges and paths tidy and we thank them all for their time. We are looking for a volunteer to help work with a strimmer; the strimmer and petrol are provided and we hope some public-spirited parishioners might wish to come forward and help. If so please contact either Brian 770564 or Marcus 770557. The patch should take around 30 minutes to look after every now and again.

#### **St. Michael's Guild**

2017 has been a quiet year for the Guild, largely because it was a Christmas Tree Festival year and various Guild committee members are involved on that committee.

The Lent lunches, this year in aid of Demelza Hospice, raised a pleasing total of £858.70. This included a donation which had been made at The Gallery by artist, Graham Clarke.

In April, a group comprising Guild committee members, pew cushion makers and brass cleaners enjoyed a visit to Nettlestead Place. Those who attended donated £150 (collected between them) for the private tour which was arranged by Annette Haynes (thanks to Annette for this).

July saw a summer coffee and cake sale which raised £258.05, despite another conflicting coffee morning in the village on the same date. Later in the summer, the Guild also received a £45 donation from a group of WI members from East Kent who visited and received a tour of the church.

The pew cushion sewing group has continued to meet and new pew cushions continue to appear.

The project is underway, although remains in its infancy, to design and produce a new altar frontal.

For the rest of the year, the Guild was quiet, as preparations were under way for the Christmas Tree Festival event.

Many thanks to the committee for their efforts this year, and to all those who helped in any way, by sewing pew cushions, hosting a Lent lunch or baking for our cake sale.

I am currently Chair and Acting Secretary of the Guild, but wish to relinquish both roles as it is simply too onerous to carry out both roles whilst working. I hope that other committee members will volunteer to take on these roles.

*Fran Hackett*

#### **St Michael's Church Flower Arrangers**

Our group decorated the church with flowers each week, except in Advent and Lent, and came together for Easter, Harvest and Christmas as well as three weddings and Mark Withers' Memorial Service. The Randolph family contributed to the Christmas decorations with flowers in memory of Michael and Jennifer on what would have been their 65th wedding anniversary.

The flower arrangers made Christmas door wreaths to sell at the Christmas tree festival and entered the festival by representing the three kings on the shelf behind the altar.

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## PAROCHIAL CHURCH COUNCIL OF ST MICHAEL THE ARCHANGEL, SMARDEN

### OTHER REPORTS (NOT REQUIRED BY LAW)

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The group would like to thank St. Michael's Guild for their support.

*Pat Palmer*

#### **Tower Captain's Report**

It's been a frustrating year in many ways. We attempted to ring for all services, but on some occasions we've had to cancel ringing due to lack of numbers. We rang for all special services including weddings and were also able to get a band to ring on Christmas Day. During December, we rang to announce the opening of the Christmas Tree Festival on all three days.

Practice nights have been variable but have improved of late. I've had to cancel some practices but not as many as the previous year. We've regularly had 6 to 8 ringers attend and have attempted some different and more difficult methods. We continue to rely on our regular visitors such as Malcolm and Richard to make our practice nights worthwhile. Andrew is now attending more regularly and is gaining experience.

I believe our standard of ringing is improving. I hope all members of our band are still enjoying ringing and making progress in different ways. Natasha is making good progress as is Bob. Alan has also progressed and can, on a good day, ring a touch of bob doubles! So progress is definitely being made.

Membership remains at 9. As last year, Darren has been absent for most of the year due to illness or other reasons, and Peter Rumley only rings occasionally or when reminded!

Recruitment is still a major issue. We haven't been able to attract any new ringers in the last few years. During the year, we marked the sad loss of Rev'd Canon Paul Cox, Mark Withers and Michael Marshall.

Mark was a regular member of the band for many years. He learnt to ring for the millennium with some of the current band and was also instrumental in the project to rehang the bells.

Michael Marshall was the son of Mark and Mary Marshall. Mark was the Tower Captain at Smarden for many years. Michael was a prolific ringer in Kent and did most of his ringing in Ashford and surrounding villages. He was a regular ringer in the quarter peal band that rang on Remembrance Sunday at Smarden, very often as conductor.

9 quarter peals were rung during the year.

*Tim Munt , Tower Captain*

#### **Deanery**

St. Michael the Archangel, Smarden is part of the Romney and Tenterden Deanery. We currently do not have a Deanery Synod Representative. Deanery Synod representatives vote at Deanery Synod meetings, and also vote to elect representatives to the General Synod of the Church of England.

There was only one meeting of the full Deanery Synod in 2017, the annual meeting in May. However the Deanery has organised many 'Deanery Forum' events, and co-ordinated training for Safeguarding. It has also had meetings to monitor the financial situations in churches across the Deanery. Topics of Deanery Forums in 2017 included a quiet day 8th July, Marriage and Gender led by Canon Nick Papadopoulos, 27th September, God's Trees by Julian Evans 10th October.